BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 07-51 December 21st, 2007

- **Inflation rate declines to 1.3% in November, the lowest in the country**
- **Retail sales remain stable in October; wholesale sales up**
- **Visitor entries drop off in October**

Population

- **BC's population grew 0.52% between July and October, rising to 4,402,931.** This was one of the most substantial population increases among the provinces, second only to Saskatchewan (+0.65%). Ontario and Alberta (each up 0.37%) were the only other provinces to experience growth that exceeded the national average in the third quarter. The Canadian population expanded 0.35%, rising to 33,091,228.

  During the third quarter of 2007, BC gained a total of 18,655 persons as a result of net migration from all sources. This was significantly higher than the 13,766 migrants in the third quarter of last year. The increase in total net migration was a result of a rise in both international and interprovincial migration. The province received a net gain of 13,566 migrants from international sources, compared to 11,641 in the same quarter of last year. Similarly, BC had a net inflow of more than 5,000 people from other provinces, up from about 2,000 in the same period of 2006. Alberta and Ontario continue to be the biggest sources of migrants to the province. When natural increase (births minus deaths) is added to the migration figures, BC's population grew by 22,675 people between July 1, and October 1 of 2007. *Data Source: Statistics Canada*

Prices

- **British Columbia's year-over-year inflation rate stood at 1.3% in November, down slightly from October (1.6%).** The cost of energy products (+4.9%) continued to rise, such that excluding energy, the overall Consumer Price Index (CPI) would have been slightly lower (+1.0%). Despite falling prices for natural gas (-2.3%) and electricity (-0.4%), the cost of shelter was up 2.3%. Residents paid more for other utilities such as water (+7.7%) and fuel oil (+21.6%) than in the same month last year. The cost of home insurance (+4.3%) also took a bigger chunk out of the household budget, although homeowners did pay less for maintenance and repairs (-2.5%). Drivers paid more at the pump (+10.5%) in November pushing the cost of operating a vehicle up (+6.0%). Overall transportation costs were up 1.9%, while prices for purchasing a vehicle (-3.2%) and for public transportation (-0.8%) were lower than in the same month last year.

  The cost of food climbed by 0.8% as both grocery bills (+0.8%) and restaurant meals (+1.1%) were more pricey. Prices for clothing & footwear (+1.6%) were also higher than in October of 2005. British Columbians did enjoy lower prices for health & personal care (-0.5%) and clothing & footwear (-0.9%) than last year.

  The inflation rate in Vancouver (+1.4%) was slightly higher than the provincial average, while Victoria's (+0.6%) was substantially lower. *Data Source: Statistics Canada*

- **The Canadian inflation rate was 2.5% in November, and British Columbians continued to enjoy the lowest overall price increase in the country.** Residents of Prairie provinces saw the biggest overall CPI increases with Alberta (+4.7%) recording the highest rate in the country. Other provinces experienced more modest expansion. *Data Source: Statistics Canada*

The Economy

- **Sales by retailers in the province were relatively flat in October, expanding 0.2% (*seasonally adjusted*)** Canadian sales were also unchanged (+0.1%), with declines in Ontario and

Report BC's High Technology Sector in Context

Did you know...
Six-in-ten (61%) pet owners in BC plan to buy their furry companion a gift this holiday season and a quarter (25%) have a holiday stocking for their pet. *Source: Ipsos Canada*

Saskatchewan tempering gains in other provinces. *Data Source: Statistics Canada*

- **Wholesale sales in BC strengthened (+2.0%, seasonally adjusted) in October, reversing a 2.1% decline in the previous month.** Eight provinces made gains, with Manitoba (+8.9%) posting the most significant increase in sales. At the national level, sales were up 0.5%. *Data Source: Statistics Canada*

- **The number of British Columbians receiving regular employment insurance (EI) benefits dropped (-2.7%, *seasonally adjusted*) to 35,730 in October.** All but one province saw a decline in EI beneficiaries, resulting in a 0.3% decrease at the national level. *Data Source: Statistics Canada*

- **The number of new vehicles purchased in the province slowed (-3.3% *seasonally adjusted*) in October.** Nationally, new motor vehicle sales picked up speed (+0.8%) as sales of trucks, vans & buses (+1.0%) and North American built passenger cars (+3.1%) increased. *Data Source: Statistics Canada*

Tourism

- **The number of travellers entering Canada via BC borders continued to fall (-0.4%, *seasonally adjusted*) in October.** American visitors made fewer same-day (-2.7%) but more overnight trips north of the border into BC, such that overall American entries inched up 0.7%. Travel to BC from overseas countries was down (-3.9%), as Asian entries fell 5.8% while entries from Europe saw a similar decline (-5.9%). On the other hand, the number of travellers from Oceania was up (+1.6%). *Data Source: Statistics Canada*

- **Restaurant, caterer and tavern receipts in the province inched up 0.5% (*seasonally adjusted*) in October.** Drinking places took in substantially less (-3.8%), but food service establishments had a more lucrative month (+0.8%). Revenues at Canadian establishments were relatively flat (+0.2%). *Data Source: Statistics Canada & BC Stats*

Energy

- **The province's demand for energy dropped (-2.4%) in 2006, as a result of declining consumption in the industrial, commercial and transportation sectors.** British Columbia consumed 889 petajoules of energy last year, down from 911 petajoules in 2005. (A petajoule is about the amount of energy required to operate a metropolitan subway system for a year.) Despite the province's overall decrease in energy demand, residential (+1.8%) and agricultural (+2.0%) usages were up substantially from 2005. Canada's energy demand (-0.4%) fell for the first time in four years with all but two provinces posting declines. *Data Source: Statistics Canada*

The Nation

- **Canada's economy expanded 0.2% in October, as both the goods (+0.1%) and service (+0.3%) sectors posted gains.** The economic growth was partly driven by the strengthening Canadian dollar. In the service sector, wholesale (+1.5%) trade continued to grow at a fast clip, marking the sixth consecutive month of gains. Expansion was also recorded in the financial sector (+0.3%) and retail trade (+0.3%). Growth in most other service industries was not as strong, but, with the exception of transportation & warehousing (-0.2%), all made gains in October. A significant 0.8% increase in manufacturing output was instrumental in offsetting weakness in other goods industries, including mining, oil & gas extraction, which stalled (-1.5%). *Data Source: Statistics Canada*

Best wishes for a Merry Christmas and Happy New Year from all of us at BC Stats!

We're taking a break for the holidays. The next issue of Infoline will be The 2007 Index. Our regular format will resume on January 4th, 2008.

***Infoline** Issue: 07-51*
December 21st, 2007

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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Originally published in
Business Indicators Issue 07-11

BC's High Technology Sector in Context

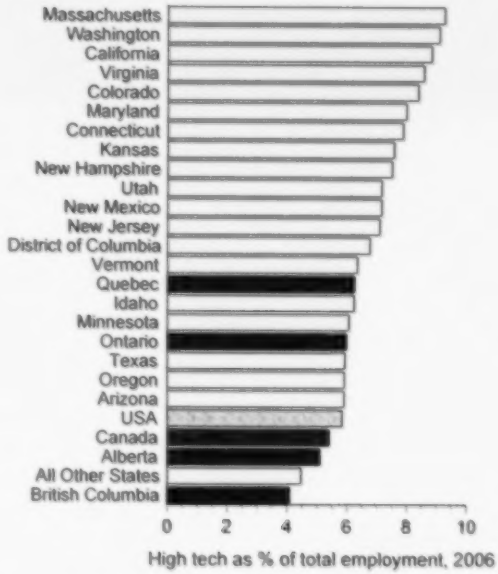
High technology has evolved into an important part of British Columbia's economy.[1] In 2006, high tech generated approximately 5.2% of the province's GDP and employed 74,590 people.[2] Employment in high technology industries in BC exceeded that of forest sector (which includes logging, silviculture and wood and paper manufacturing industries) and mining, oil and gas extraction industries combined. Nevertheless, BC's high technology sector is still relatively small compared to that of some other provinces and many American states.

In 2006, approximately 4.1% of the province's employees worked in the high technology sector, compared to 5.4% for Canada as a whole. BC ranked behind Quebec (6.3%), Ontario (6.0%) and Alberta (5.1%) , the three other provinces with a significant high tech sector, and behind 31 states and the District of Columbia in terms of high tech as a percent of total employment.

At 5.9%, the percentage of American employees working in high technology was slightly greater than the comparable Canadian figure, ranging from a high of 9.3% in Massachusetts to a low of 2.6% in Wyoming. Washington (9.1%) and California (8.8%) ranked just below Massachusetts.

In absolute numbers, employment in high technology in BC trailed that of Ontario, Quebec and Alberta, as well as 27 American states. High technology industries employed

High technology comprises a smaller portion of BC's overall employment



Source: BC Stats

74,590 people in BC in 2006, or almost 10% of Canada's 760,480 high tech workers. Over two-thirds of the nation's high technology employees reside in Ontario (43%) and Quebec (27%). Alberta is home to 11% of Canada's high tech workers.

There were a total of 7.8 million people employed in the United States' high technology sector in 2006. California was home to almost 1.4 million high tech workers, or about 17% of the national total. Computer manufacturing and software services were the largest employers in the state. California's high tech employment was more than double that of second-ranked Texas, which had under 0.6 million employees in the sector in 2006.

1 This article is based on a larger document, Profile of the British Columbia High Technology Sector: 2007 Edition, which is available for download on the BC Stats website: www.bcstats.gov.bc.ca

2 Employment is measured using Statistics Canada's Survey of Employment, Payroll and Hours (SEPH), which is an employer survey and therefore does not include self-employed.

Compared to Canada, manufacturing plays a far more significant role in the high tech sector in the United States. In 2006, almost 34% of all high tech jobs in the US were in manufacturing industries, compared to only 27% for Canada and 18% for British Columbia. There were seven states where manufacturing industries employed over half of the state's high tech workforce, topped by Indiana and Vermont (each 57%). At the other end of the scale, high technology employment in the District of Columbia, Alaska and Hawaii was almost all in the service sector with less than 3% of high tech workers employed in manufacturing.

Given that manufacturing is a larger component of the US high tech sector, it makes sense that the United States exports relatively more high tech goods compared to Canada. The US exported $237.1 billion worth of high tech commodities in 2006, which represented about 22% of total US domestic exports.[3] By comparison, in Canada less than 7% of the country's commodity exports consisted of high technology products. In British Columbia, slightly less than 3% of total exports were high tech goods. Quebec is the only province that has a ratio that approaches that of the United States as high technology accounted for 18% of Quebec's total domestic exports in 2006.

The United States also imports more high tech goods compared to Canada, but the discrepancy isn't nearly as large. Just under 16% of all imports into the US were high technology goods in 2006, compared to approximately 12% of imports into Canada.

In terms of overall output, high technology has a far more significant presence in the United States compared to Canada. High technology industries generated just over 9% of GDP in the United States in 2006, or slightly more than $1.2 trillion.[4] By comparison, high tech comprised just over 6% of Canada's GDP and Canadian high tech output was about 6% of the US total.

In 2005, the latest year for which GDP data by state is available, there were at least 35 states where high technology contributed more to GDP than in British Columbia. High tech in BC generated approximately 5% of provincial GDP in 2005, which ranked third in Canada, behind Quebec (8%) and Ontario (7%). Alberta, at 4%, ranked behind British Columbia.

Top-ranked Quebec is a major world centre for the aerospace industry, with the Canadian Space Agency and Bombardier Aerospace headquartered there and companies such as Bell Helicopter and Lockheed Martin operating facilities in the province. The province is also home to a well-developed pharmaceutical industry and is the location of approximately 30 Canadian head offices of international pharmaceutical companies, including Pfizer and Johnson & Johnson. Nevertheless, even Quebec ranked below 21 states in terms of percent of GDP generated by the high tech sector.

Among the states, Colorado is the most dependent on high technology with that sector accounting for 14% of the state's GDP in 2005. Colorado is home to a large telecommunications hub and has significant computer services and computer manufacturing industries.

However, in terms of total size, California has far and away the largest high tech sector in the United States, generating $241.8 billion in GDP in 2005, or 17% of the nation's total high tech GDP. High technology accounted for just over 12% of the state's GDP, driven by the computer industry in Silicon Valley, the large motion picture industry and a sig-

3 All dollar figures for the United States have been restated in Canadian currency to allow direct comparison with Canadian figures.

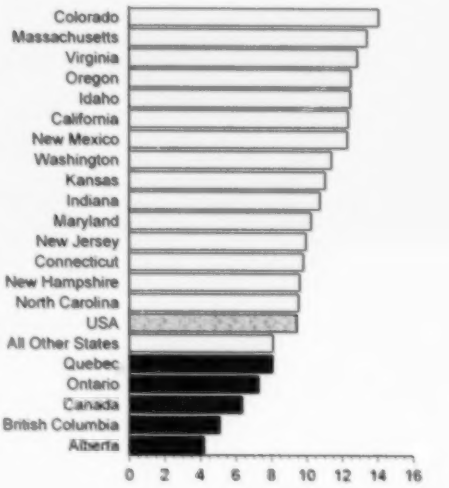
4 All GDP figures for the United States are in current dollars and comparisons with Canada and the provinces are made using current dollar figures.

nificant telecommunications presence. The GDP from California's high tech sector alone was three times that of all high tech output in Canada as a whole.

Two of the other states sharing BC's time zone also have well-developed high tech sectors. Just over 12% of Oregon's GDP was produced by its high tech sector in 2005, which may come as a surprise to those who see Oregon as mainly a producer of lumber, but high technology is prominent in the state's manufacturing industries. Portland is home to the factories of high tech giants such as Intel and Hewlett-Packard. In Washington State, high technology generates 11% of the state's GDP. The largest industry in the high tech sector in Washington is computer software publishing, led, of course, by Microsoft. Idaho, another state that borders British Columbia, isn't just about potatoes any more. It had just over 12% of its GDP generated by high technology. High tech has become a critical part of Idaho's manufacturing sector with companies such as Hewlett-Packard, Micron Technology and AMI Semiconductor.

Compared to these and many other US states, it is readily apparent that BC's high tech sector is still relatively small. However, the sector has been growing and BC is home to some high tech clusters, such as fuel cells, biotechnology and motion picture production, that are world class and, in some cases, world leaders. Companies such as Ballard Power Systems and Electronic Arts are world renowned and BC is home to other burgeoning companies that could also develop into high tech leaders.

High technology plays a bigger role in the economy of the United States



Source: BC Stats

Infoline

December 21, 2007
Issue 07-51

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Oct 1/07	% change on one year ago
BC	4,402.9	1.5
Canada	33,091.2	1.0
GDP and INCOME (Revised Nov 8)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	180,328	6.4
GDP *($ 2002 millions)*	158,335	3.3
GDP *($ 2002 per Capita)*	36,649	1.9
Personal Disposable Income *($ 1997 per Capita)*	23,996	5.0
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Oct	3,589	1.9
Merchandise Exports - Oct	2,404	-0.5
Retail Sales - Oct	4,745	0.2
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Nov 2007)	one year ago	% change
BC	1.3	1.8
Vancouver	1.4	2.2
Victoria	0.6	1.2
Canada	2.5	2.1
LABOUR FORCE (thousands)		
(seasonally adjusted)	Nov '07	% change on prev. month
Labour Force - BC	2,399	0.9
Employed - BC	2,298	1.1
Unemployed - BC	100	-3.3
		Oct '07
Unemployment Rate - BC *(percent)*	4.2	4.4
Unemployment Rate - Canada *(percent)*	5.9	5.8
INTEREST RATES (percent)	Dec 19/07	Dec 20/06
Prime Business Rate	6.00	6.00
Conventional Mortgages - 1 year	7.20	6.30
- 5 year	7.39	6.45
US-CANADA EXCHANGE RATE	Dec 19/07	Dec 20/06
(avg. noon spot rate) Cdn $ per US $	1.0056	1.1486
(closing rate) US $ per Cdn $	0.9967	0.8708
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Nov '07	% change on one year ago
BC	753.78	1.9
Canada	764.36	4.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

2007 Municipal Populations

Total population for municipalities and Regional Districts for July 1, 2007, as well as revised figures for 2002 to 2006, are now available online.

www.bcstats.gov.bc.ca/data/pop/pop/estspop.asp

Area Profiles

There is a new link in the **RESOURCES** tab found at the bottom of our left sidebar. This page acts as a gateway to all our area profile products. Each profile paints a statistical picture of an area using maps, charts, tables, rankings, comparisons, and more. More than eight thousand individual files are available now, with many more on the way. Check it out!

www.bcstats.gov.bc.ca/data/dd/profiles.asp

2006 Census Profiles

We have profiles for approximately 1,700 different places. New for this cycle is the addition of a comparison area to help you identify which characteristics set a particular place apart from the 'norm'. Since we offer a choice between two comparison areas for each location, there are 3,400 profiles in all..

www.bcstats.gov.bc.ca/data/cen06/profiles/detailed/choose.asp

Released this week by BC Stats

- Consumer Price Index, November 2007
- Business Indicators, December 2007
- Current Statistics, December 2007
- Migration Highlights, 3rd Quarter 2007

Next week

- No subscription releases

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